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HHS FOR OGHA/STEIGER AND PASS TO FDA/LUMPKIN
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USDA FOR FAS OA/YOST, OCRA/ALEXANDER, OSTA/BRANT AND SHNITZLER
COMMERCE FOR ITA/HIJIKATA AND CINO
STATE PASS TRANSPORTATION FOR NHTSA ABRAHAM/KRATZKE
STATE PASS CONSUMER PRODUCTS SAFETY COMMISSION RICH O'BRIEN/INTL
PROGRAMS
STATE PASS USTR CHINA OFFICE/TIM WINELAND
STATE PASS OMB/INT'L AFFAIRS
STATE PASS HOMELAND SECURITY COUNCIL
STATE PASS IMPORT SAFETY WORKING GROUP

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SUBJECT: 2008 FOOD AND PRODUCT SAFETY LEGISLATIVE AGENDA

Ref: A. 07 Beijing 5271

- [1B. 07 Beijing 4561](#)
- [1C. 07 Beijing 4808](#)
- [1D. 07 Beijing 5255](#)
- [1E. 07 Beijing 5899](#)
- [1F. 07 Guangzhou 1270](#)

[11. \(SBU\) Summary:](#) China is preparing for a banner year in 2008 in food and product safety as authorities draft and review seven separate pieces of legislation or regulations. The most important piece of legislation, the Food Safety Law, is a comprehensive law encompassing all facets of the food production supply chain that will unify national, local, and industry standards. AQSIQ Policy and Legislation Director General Liu Zhaobin told Econ Mincouns January 18 that the law will go through two more readings (revisions) by the National People's Congress (NPC) Standing Committee and would not be finished in 2008. AQSIQ will also focus on six new items: the Entry/Exit Health and Inspection Law, the Measurement Law, the Standardization Law, the Product Recall regulation, the Quality Award regulation, and the Special Equipment regulation, which has implications for energy conservation. AQSIQ has notified the WTO about a draft food safety measure that will affect imports and exports and is engaged in risk assessment of cloning. Shedding light on the leading group decision process, Liu said that the Food Safety and Product Quality Leading Group chaired by Vice Premier Wu Yi discussed the Food Safety Law but did not have a role in approving it for passage to the NPC. Finally, Liu noted that he would like to visit the United States to conduct research on establishing a quality award for China based on U.S. and Japanese models. End Summary.

Update on Food Safety Law

¶2. (SBU) AQSIQ Policy and Legislation Director General Liu Zhaobin told Econ Mincouns January 18 that the Food Safety Law would undergo three readings (or revisions) in total by the National People's Congress (NPC) Standing Committee, of which the first reading occurred in late December 2007. The law will require imported products to meet Chinese standards and exported products to meet importing country standards. The draft law reinforces a State Council directive (Ref. A) of July 2007 that established clearer food safety guidelines and penalties. Among other measures, the new law also requires public notification of major risks, requires publication of national standards for public viewing, establishes restrictions on sales of substandard food, prohibits commingled shipping of food items with contaminants, and calls for more food safety education in villages and schools. The law will mandate inspection and testing at each step in the supply chain. AQSIQ made a choice to leave the law's language broad, Liu noted. Details will be worked out later in the implementing regulations.

Risk Assessment and Cloning

¶3. (SBU) The development of standards requires an understanding of food dangers, Liu noted, and so the Food Safety Law establishes a mechanism for risk assessment. The vehicle for risk assessments will be the "Risk Assessment Expert Committee" composed of experts from agencies, academia, and research institutions. The Committee will have the responsibility to report their findings to appropriate agencies, which will then be required to take immediate action in cases of large scale contamination or harm. Two areas of focus now for standards development are allergies (such as peanut allergies) and the risks posed by food from cloned animals. Whereas genetically modifying a gene requires manipulation, Liu said cloning was simply the copying of an existing gene. One report he had seen

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indicated cloning would be less risky than genetic modification.

New Legislation and Regulations

¶4. (SBU) Other food and product safety-related legislation for 2008 includes:

-- Entry/Exit Health and Inspection Law: This law covers 14 communicable diseases, including SARS, as well as chemical and nuclear threats. It will be compliant with WHO international standards. This draft law will be submitted to the NPC in 2008.

-- Measurement Law: This law covers measurement of packaging, measuring instruments, and responsible agencies. A draft has been submitted to the State Council Legislative Affairs Office (SCLAO).

-- Standardization Law: The law will facilitate the harmonization of 10,000 Chinese standards to international standards. Liu said that government agencies will solicit input from industries in the revision of these standards. The draft law has been submitted to the SCLAO.

-- Product Recall regulation: This law will serve as an umbrella recall regulation to cover all products not already covered under food, toy, and automobile recall regulations. The law has been drafted and is now in a public comment period.

-- Quality Award regulation: China would like to establish a corporate quality award modeled on Japanese and U.S. awards, such as the National Institute of Standards and Technology Malcolm Baldrige Award instituted in 1987. Liu said he would like to conduct a study visit to the United States for further research on establishing a similar award in China.

-- Special Equipment regulation: This regulation covers safety supervision of elevators, industrial boilers, and cranes. Energy efficiency is a component of the law and AQSIQ will have a responsibility for advocating energy efficiency in these equipment categories. Liu noted that of 2.1 billion tons of coal consumed

annually in China, 1.7 billion tons is used in industrial boilers (for power generation). This regulation has been submitted to SCLAO and might be approved in 2008.

-- New Import/Export measures: On January 10, AQSIQ notified the WTO of a new draft rule "Measures for the Administration of Inspection, Quarantine, and Supervision of Imported and Exported Food" (G/SPS/N/CHN/104). This measure will likely have a significant impact on food and agricultural trade with China. It gives details about the inspection process and requirements for both imported and exported goods. Some of its key provisions follow the direction and spirit of the Food Safety Law now under review.

Leading Group: No Stamp of Approval

15. (SBU) The Food Safety and Product Quality Leading Group chaired by Vice Premier Wu Yi did not have to approve of the Food Safety Law draft before it went to the NPC, Liu said, but participating agencies were able to submit comments. Asked specifically if the Leading Group had an opportunity to vote on the adequacy of the law, Liu said there was no vote.

Comment

16. (SBU) AQSIQ's new role in overseeing energy efficiency in special

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equipment takes the agency into a regulatory area not previously within its purview. The move illustrates the importance China places on the incorporation of energy efficiency into existing regulatory frameworks. With regard to establishing a quality award for China, post will assist in arranging AQSIQ's visit to the United States with appropriate interlocutors.

17. (SBU) The draft Import/Export measures law is a mix of old and new regulatory authorities. Much of the document repeats goals and authorities already established in other laws or regulations. However, there are sections that codify certain ad-hoc measures taken in the past and include new requirements that will disrupt trade. Certain strict regulatory requirements previously applied only to Chinese exported food and agricultural products would now, in this law, be applied to imported products as well. Thorough examination by the Interagency SPS group for WTO consistency and follow-up is warranted.

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